



# National Housing Co-Investment Fund

## REQUIRED DOCUMENTATION CHECKLIST

The following checklist outlines the minimum documentation required at each stage of the process in order to move forward. Inability to provide the outlined documents at each stage in the process will inhibit progression of the file and may result in withdrawal of the submission. CMHC at its discretion may request additional documentation as required to complete its assessment of the Project. *Please note that the documentation listed below are the minimum documents that are needed at a particular stage for processing the application, however in order to expedite the process, it is advisable that the documents are submitted well in advance.* If you have questions regarding the documentation requirements please contact your **CMHC Specialist** for support.



### New Construction Stream

#### ***Applicant Related***

##### **Demonstrated property management experience:**

- A resume or resumes from the applicant which outlines the experience of the entity and individuals managing the property including the following details: the locations being managed (property address), the type of property, tenant profile, number of levels, number of units and number of years of management experience.
- If the management of the property will be contracted out, the resume of the contracted property manager outlining their related experience in managing properties of similar size (including the details outlined above) should be provided.

*Note: The applicant and/or Corporation that will be the property manager must have at least five (5) years of demonstrated management experience in operations and management of similar type and size property, as the proposed project.*

In addition to the documents listed, a well-documented National Housing Co-Investment Fund (NHCF) application is required for processing the application. Incomplete or missing information will lead to increased processing time and potential removal of application from the system.

**Demonstrated construction experience:**

- The applicant, and/or their contracted builder or developer must provide a resume or resumes which demonstrates their experience in construction, including: a list of completed and current projects of similar size and scope as the subject building with details of location (property address), type of property, number of levels, number of units, overall project budget, year complete.

## **Ownership**

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**Signed integrity declaration:** The document is available on the CMHC website and should be signed and submitted as part of the application.

**Company ownership documents:**

All of the documents listed below, as applicable:

- Articles of incorporation including all supporting documentation, such as, but not limited to: a business name registration, articles of organization, etc.;
- Letters, Patent, Bylaws, and any applicable shareholders' agreements;
- Operating Agreements;
- Detailed information about the entity's ownership structure indicating percentage of ownership (if applicable);
- Organizational chart outlining the names of all related shareholders, subsidiaries, key responsibilities, and the entity's corporate or reporting structures;
- The name and relationship of all registered and beneficial owners of the property (not applicable if the property is located in Quebec) (if applicable).

Considerations for On-Reserve Applicants:

- Chief and council should be included in the organization chart.

**Confirmation that land is secured:**

If the land is a recent or upcoming purchase / lease:

- Copy of purchase and sale agreement. This document should outline the purchase price of the property, the name of the buyer and seller, the closing date, and any relevant selling details;
- A letter from the province or the city/municipality confirming the land is available and being provided to the applicant for use;
- Copy of all lease agreements (if applicable). For example, operating leases, land leases, subleases, headleases, etc.

If the land is already owned:

- The property identification number, or
- A recent property tax statement.

Considerations for On-Reserve Applicants:

- The “land status report” issued by Indigenous Services Canada (ISC) can respond to this requirement.
- Ministerial Loan Guarantee (MLG): this document or an eligible security is required.
- In the case where a MLG will be provided, a letter from ISC confirming the First Nation eligibility is sufficient at this stage.

## ***Project Details***

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**Architectural schematic designs:**

- Preliminary plans and specifications outlining: the number of suites, suite layout, building amenities, non-residential space specifications, square footage, elevations, etc.

**Evidence of Community Need:**

At least one of the following documents clearly demonstrating the project’s unique offering and its demand:

- Letter of support from the Municipality or the Province/Territory or Indigenous Government highlighting their commitment to the project;
- Market study, with quantitative and/or qualitative indicators demonstrating housing need;
- Documentation describing waiting lists for existing social housing within the same community;
- Municipal plan for site area or municipal Affordable Housing Strategy;
- Vacancy information of the local rental market conditions (e.g. number of existing rental properties available, number of individuals requiring housing, etc.) and of any buildings on the same land to demonstrate continued need for the housing project.

Considerations for On-Reserve Applicants:

- The following documents may also be provided:
  - Band Council Resolution;
  - Community Comprehensive Plan which is no more than 5 years old;
  - First Nation Infrastructure Plan.

**Confirmation of support from another level of government:**

A letter from another level of government (including Indigenous governments), which outlines their support for the project. Support can be in the form of investment of resources, but could also be in the form of a letter stating endorsement for the project.

**Approved Zoning:**

- Document outlining the zoning that has been approved by the municipality.

Considerations for On-Reserve Applicants:

- In-lieu of documentation demonstrating that the project is appropriately zoned, a land status report issued by ISC can satisfy part of this requirement.

## **Financials**

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### **Cost estimates for the project:**

- **A Class B Quantity Survey** or cost consultant certified report.

*Note: Following prioritization a cost consultant certified report will be required to complete underwriting.*

### **Identification of co-funders, source, and use of funds:**

A list of all co-funders, and all of the documents listed below, as applicable:

- Capital Funding: Letter or other documentation supporting all sources of financing, including grants, in-kind, forgivable loans, and waiver of development charges & fees (as applicable);
- Operational Funding: letter or other documentation for all sources of operational funding support (e.g. rent supplement, operating subsidy, property tax waiver etc.);
- For operational funding arrangement not available for full term of the target affordability period, provide a working plan on how the project will remain viable.

Understanding that funding can be contingent on CMHC support, documents can be preliminary and include estimates or ranges with the understanding that fully executed agreements must be received prior to issuance of loan agreement by CMHC.

### **3 year financial statements or an acceptable alternative for new entities:**

- Audited financial statements for the most recent three years (Review Engagement may be accepted in the sole discretion of CMHC) for the applicant(s) and for each Guarantor(s) (if applicable);
- If audited financial statements are not available, financial statements which have undergone a review engagement may be accepted;
- Where the applicant is an individual, or group of individuals net worth statements of assets and liabilities should be provided.

Considerations for On-Reserve Applicants:

- Financial information which has been provided to ISC can act as an alternative to financial statements.

### **Completed Financial Viability and Prioritization Worksheet:**

Completed copy (worksheet available on CMHC website with details including: Rent affordability, Project budget, Pro-forma analysis (Residential), Pro-forma analysis (Non-Residential), Prioritization scoring.

## Housing Repair and Renewal Stream

Unlike a New Construction Application, the Housing Repair and Renewal Stream does not require: Architectural Schematic Designs (e.g., suite layout) or Zoning Support from the Municipality.

The below items are required for a Housing Repair and Renewal application in addition to those items previously listed under New Construction:

### Project Details

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#### Preliminary Repair Designs (e.g., suite layout, repair schedule) or Building Condition Assessment:

- Preliminary plans and specifications including suite layouts and repairs schedule, if available, or
- Building condition assessment report outlining the scope of work for the repairs.

### Financials

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#### Pro forma Rent Roll - Residential:

- Unit number, unit type, unit square footage, and monthly rental rate for the current building, market monthly rental rate. Non-residential – unit number, unit type, unit square footage, monthly rental rate for the current building.
- Consideration for Indigenous and North files: where the First Nations community does not have a rent system in place this requirement is waived.

**Operating Statements:** Three years of historical detailed operation statements for both residential and non-residential.



*Consent to Obtain Information (if applicable).*

### Project Details

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**Positive market feasibility study:** The study must be completed by a professional independent third party and include positive results related to: project feasibility, submarket analysis, project pro forma analysis, estimated absorption time, and affordability of project rents relative to demographics in the submarket.

#### Environmental Site Assessment\*:

- Environmental assessment reports: Phase 1 environmental site assessment and Phase 2 environmental site assessment (if applicable). Record of Site Condition application (if applicable), risk assessment (if applicable), and confirmation of site remediation (if applicable).

Considerations for On-Reserve Applicants:

- If an ISC was provided with the application and the ISC required an ESA a separate ESA is not required.

**Appraisal Report\***: The appraisal report must meet the following requirement:

- Completed by an independent appraiser holding an Accredited Appraiser Canadian Institute (AACI) designation.
- Include comments on economic life of the project, “as-is” and “as-improved” values using appropriate methodologies, comparison of valuation across different valuation methodologies, market feasibility, etc.

CMHC may provide flexibility with respect to Appraisal Report, Market Feasibility Study and Quantity Surveyor’s report requirement for some projects depending on the type, size and complexity. Check with your CMHC specialist to confirm, if your application qualifies for the same.

**Note:** Valuation using income approach should be based on affordable rents and **NOT** market rents.

*For the avoidance of doubt, Professional reports are to be prepared:*

- *By independent, arms-length professionals holding a current, industry recognized designation in their field and be in good standing with their governing body, unless prior approved by CMHC;*
- *Not more than 12 months (18 months for Environmental Site Assessment Report) old from the date of the NHCF application;*
- *Prepared for CMHC or accompanied by reliance/transmittal letter from the author acknowledging that CMHC will be relying on the report for funding purposes;*
- *Copy of professional liability (Errors and Omissions) insurance of dollar value as required by CMHC and with no conditions.*

## Financials

**Confirmation of commitment from all Co-funders:** Written proof of each co-funders commitment (e.g., a signed letter of intent or a funding agreement) including the intended funding amounts any conditions for funding.



## Ownership

**Copy of any registered encumbrances or agreements on title:**

- Documentation that pertains to the land title **and** any existing encumbrances on the title: related searches outlined to in the box the to the right; also may include searches related to the status of the corporation.

- Corporate Profile or Business Name Search/LP Report
- PPSA/RDPRM Search
- Official Receiver (Federal) – confirmation of bankruptcy
- Writ of Execution/ Sheriff’s Certificate
- Enhanced Search Report (ESR)
- Real Estate Search: Abstract/Parcel of Title Corporate Certificate
- Business Certificate of Status
- Bank Act

## Project Details

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### Evidence to Support Social Outcomes:

- Submission of an energy model, which has been completed by a qualified professional, of the energy consumption and GHG emissions performance of a base case building.
- Submission of:
  - A narrative of the details of the proposed accessibility strategy within each unit and identification of barrier free features from the approach to the building, through the common areas and into the accessible unit; or
  - A narrative of the details of the proposed universal design strategy within the dwelling units and throughout the common areas.
- Additional details on the documentation requirements for both Energy Efficiency and Affordability for **New Construction** and **Repair / Renewal**;
- In case of third-party service provider. Letter and/or agreement confirming the types of support that will be provided on site for tenants that represent priority groups.

**Detailed Building Plans:** Detailed building plan including electrical, mechanical, structural specifications, finishes and amenities along with construction/repair schedule.

**Geotechnical Investigation:** A soil test report must demonstrate that the site lands improvement and proposed construction are feasible under existing soil conditions.

**Co-funding agreements complete:** A co-funder agreement has been agreed to and signed if possible between all co-funders for the project.

## Financials

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### Finalized Drawdown Schedule:

- Finalized timeline outlining requested payment dates including 3<sup>rd</sup> party funding, any client equity injection, and when CMHC forgivable or repayable funding is provided.

### Quantity Surveyor (QS) Report:

Minimum of Class A estimate report and must include:

- Provide confirmation to CMHC of the project budget (hard costs, soft costs, etc.), project cash flow, and project funding sources.
- Be updated regularly and provided to CMHC to demonstrate costs incurred versus cost-to-complete, cost-to-date reconciliation, committed costs, construction schedule (and rationale for any deviations from the initial schedule), contingency budget details, use of funds, etc.
- Provide building condition assessment (BCA) for existing condition of building including reserve fund study (*applicable for Repair/Renewal only*).

An updated QS Report is required on a monthly basis, and at every advance during construction.

- Include evidence of a fixed price contract or construction management arrangement wherein fixed price contracts are entered into for no less than two-thirds (2/3) of the hard construction cost and identification of all material contracts (contract that is 5% or more of the hard construction cost).
- Include a labour and material, and a performance bond for which CMHC is listed as a dual obligee (minimum of 50% of labour and material and 50% of performance).
- Include development and compliance documentation such as zoning, permits, agreements, legal survey etc.
- Include details of all insurance policies in place during construction as per CMHC's insurance requirement.

*\*For the avoidance of doubt, Professional reports are to be prepared:*

- *By independent, arms-length professionals holding a current, industry recognized designation in their field and be in good standing with their governing body, unless prior approved by CMHC;*
- *Not more than 12 months (18 months for Environmental Site Assessment Report) old from the date of the NHCF application;*
- *Prepared for CMHC or accompanied by reliance/transmittal letter from the author acknowledging that CMHC will be relying on the report for funding purposes;*
- *Copy of professional liability (Errors and Omissions) insurance of dollar value as required by CMHC and with no conditions.*

**Labour, Materials, and Performance Bond:**

- Each must be in an amount of not less than 50% of the contract price and CMHC should be listed as a dual obligee.
  - Requirement can be satisfied as part of the Quantity Surveyor Report submission.

**All insurance policies:**

- A letter from the insurance company which highlights the details of all relevant insurance policies.

**Updated Credit Scores:**

- A credit bureau report or a document issued by the credit agency outlining the client's credit score.



Application

Letter of Intent (LOI)

Term Sheet/Agreements

First Advance

## Project Details

### Confirm finalized drawdown schedule:

- Confirmation of the finalized timeline outlining payment dates including 3<sup>rd</sup> party funding, any client equity injection, and when CMHC forgivable or repayable funding is provided.

### Municipal approvals:

- Confirmation of zoning (if applicable);
- Copy of site plan application (if applicable);
- Copy of site plan agreement (if applicable);
- Copy of building permits.

### Updated Quantity Surveyor's report:

- Updated report, provided prior to each advance.

## Financials

**Confirmation insurance is in place:** Confirmation that insurance has been put in place and is still valid.

### Borrower certificates:

- A certificate or agreement outlining the client's commitment and associated terms with other lenders.

Completion of all other conditions precedent to funding in favour of CMHC.

**Note: CMHC reserves the right to request additional documentation not included in this list at any time, and it CMHC's sole discretion on a case-by-case basis.**

